

# **CODE OF BUSINESS CONDUCT AND ETHICS**

**ADOPTED BY THE BOARD OF DIRECTORS  
ON APRIL 13, 2003**

## **Introduction**

This Code of Business Conduct and Ethics covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees of the Company. All of our employees must conduct themselves accordingly and seek to avoid even the appearance of improper behavior.

If a law conflicts with a policy in this Code, you must comply with the law. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation.

Those who violate the standards in this Code will be subject to disciplinary action, up to and including termination of employment. *If you are in a situation, which you believe may violate or lead to a violation of this Code, follow the guidelines described in Section 14 of this Code.*

We are committed to continuously reviewing and updating our policies and procedures. The Company therefore reserves the right to amend, alter or terminate this Code at any time and for any reason, subject to applicable law.

### **1. Compliance with Laws, Rules and Regulations**

Obedying the law, both in letter and in spirit, is the foundation on which this Company's ethical standards are built. All employees must respect and obey the laws of the cities, states and countries in which we operate. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel. Violations of laws, rules and regulations may subject you to individual criminal or civil liability, in addition to discipline by the Company. Violations may also subject the Company to civil or criminal liability or the loss of business.

### **2. Conflicts of Interest**

A "conflict of interest" exists when a person's private interest interferes in any way with the interests of the Company. As a general rule, employees, officers and directors should avoid actual or apparent conflicts of interest between their personal and professional relationships. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an employee, officer or director, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, employees and their family members may create conflicts of interest.

It is almost always a conflict of interest for a Company employee to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor as a consultant or board member. The best policy is to avoid any direct or indirect business connection with our

customers, suppliers or competitors, except on our behalf. Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Board of Directors. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management, the Company's Chief Financial Officer and/or the Chief Executive Officer. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section 14 of this Code.

You should not have a financial interest—including an indirect interest through, for example, a relative or significant other—in any organization if that interest would give you or would appear to give you a conflict of interest with the Company. You should be particularly sensitive to financial interests in competitors, suppliers, customers and distributors.

If you have a significant financial interest in a transaction between the Company and a third party—including an indirect interest through, for example, a relative or significant other—you must disclose that interest, and that interest must be approved by the Company. We encourage you to seek guidance if you have any questions as to whether an interest in a transaction is significant. If it is determined that the transaction is required to be reported under SEC rules, the transaction will be subject to review and approval by the Audit Committee of the Board of Directors. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to this business.

### **3. Insider Trading**

All non-public information about the Company should be considered confidential information. Employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. To use non-public information for personal financial benefit or to “tip” others who might make an investment decision on the basis of this information is not only unethical but also illegal. In order to assist with compliance with laws against insider trading, the Company has adopted a specific policy governing employees' trading in securities of the Company that is available to every employee. If you have any questions, please consult the Company's Chief Financial Officer.

### **4. Corporate Opportunities**

Employees, officers and directors are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position without the consent of the Chief Executive Officer or Board of Directors. No employee may use corporate property, information, or position for improper personal gain, and no employee may compete with the Company directly or indirectly. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

### **5. Competition and Fair Dealing**

We seek to outperform our competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited.

Each employee should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Company employee, family member of an employee or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts that you are not certain are appropriate.

## **6. Discrimination and Harassment**

The diversity of the Company's employees is a valuable asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind.

## **7. Health and Safety**

The Company strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated.

## **8. Record-Keeping**

The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions. For example, only the true and actual number of hours worked should be reported.

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your supervisor or your controller.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions, and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and

companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to the Company's record retention policies.

## **9. Confidentiality**

Employees must maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorized by the Chief Executive Officer or Chief Financial Officer or is required by laws or regulations. Confidential information includes fellow employee information such as names, contact and salary information and all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends.

## **10. Protection and Proper Use of Company Assets and Proprietary Information**

All employees must endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Company equipment should not be used for non-Company business, though incidental personal use may be permitted when properly authorized.

The obligation of employees to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, unpublished financial data and fellow employee information such as names, contact and salary information. Unauthorized use or distribution of this information is a violation of Company policy and the terms of your employment with the Company. It could also be illegal and result in civil or even criminal penalties.

## **11. Payments to Government Personnel**

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities that may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules.

## **12. Company Filings with the Securities and Exchange Commission and Public Disclosures**

As a public company, it is important that the Company's filings with the Securities and Exchange Commission ("SEC") and other public disclosures be accurate and timely. Depending on their position within the Company, employees may be called upon to provide information to assure

that the Company's public reports are complete, fair and understandable. The Company expects all of its personnel to take this responsibility seriously and to provide prompt and accurate answers to inquiries related to the Company's public disclosure requirements.

Due to their direct involvement, the Chief Executive Officer, Chief Financial Officer, Controller and other Finance personnel have a special obligation to ensure the full, fair, accurate and timely disclosure in reports filed with the SEC and other public communications. As a result of their direct involvement in the preparation of such reports and public communications, the Chief Executive Officer, Chief Financial Officer, Controller and other members of the Company's Finance department agree to:

- Provide information that is accurate, complete, objective, relevant, timely and understandable to ensure full, fair, accurate timely and understandable disclosure in reports and documents that the Company files with, or submits to, government agencies and in other public communications;
- Accept responsibility for the full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the Company with the SEC;
- Bring promptly to the attention of management and/or the Audit Committee of the Board of Directors, as applicable, any material information of which he or she may become aware that affects the disclosures made by the Company in its public filings;
- Bring to the attention of management and/or the Audit Committee, as applicable, any significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data;
- Bring to the attention of the Audit Committee any fraud that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls;
- Bring to the attention of the Company's General Counsel, CEO or to the Audit Committee any information concerning any violation of the Company's Code of Business Conduct and Ethics, including any conflicts of interest involving any employees who have a significant role in the Company's financial reporting, disclosures or internal controls; and
- Bring to the attention of the Company's General Counsel, CEO or to the Audit Committee any information concerning a material violation of the securities or other laws, rules or regulations applicable to the Company and the operation of its business.

Violations of this Code of Business Conduct and Ethics, including failures to report potential violations by others, will be viewed as a severe disciplinary matter that may result in personnel action, including termination of employment.

### **13. Waivers of the Code of Business Conduct and Ethics**

Any waiver of this Code for executive officers or directors may be made only by the Board of Directors, or a committee of the Board of Directors empowered to do so, and will be promptly disclosed as required by law or stock exchange regulation.

### **14. Reporting any Illegal or Unethical Behavior**

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and, when in doubt, about the best course of action in a particular situation. It is the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.

If you believe that a violation of the Code has occurred, please contact our General Counsel at ext. 2255. If your situation requires that your identity be kept secret, your anonymity will be preserved to the greatest extent reasonably possible. If you wish to remain anonymous, send a letter addressed to the General Counsel at Linear Technology Corporation, 720 Sycamore Drive, Milpitas, CA 95035. If you make an anonymous report, please provide as much detail as possible, including copies of any documents that you believe may be relevant to the issue.

It is against the Company's policy, and a specific violation of the Code, to retaliate against any person for good faith reporting of violations of applicable law, the Code, or any other employee policy of the Company. Any reprisal, threat, retribution, or other form of retaliation against any such person, or against any person who is assisting in any investigation or process, relating to such a violation is strictly prohibited.

Any use of the above reporting procedures in bad faith or in a false or frivolous manner will also be considered a violation of this Code of Business Conduct and Ethics. You should not use these reporting procedures for personal grievances not involving this Code.

### **15. Compliance Procedures**

We must all work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know if a violation has occurred. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.
- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.

- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.
- Seek help from Company resources. In the rare case where it may not be appropriate to discuss an issue with your supervisor, or where you do not feel comfortable approaching your supervisor with your question, discuss it locally with your department manager or your Human Resources manager.
- You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. The Company does not permit retaliation of any kind against employees for good faith reports of ethical violations.
- Always ask first, act later: If you are unsure of what to do in any situation, seek guidance before you act.